Institutions’ and Electricity Sectors’ Performance in Ghana

John Bosco Dramani¹* and D. D. Tewari²

¹School of Business, Garden City University College, Box KS 12775, Kumasi, Ghana
²Faculty of Commerce, Administration and Law, University of Zululand, KwaDlangezwa Campus: 1 Main Road, Vulindlela, KwaDlangezwa, 3886, South Africa

KEYWORDS Institutions. Electricity. Yardstick competition. Efficiency. DEA

ABSTRACT The paper examines institutions’ and electricity sectors’ performance in Ghana utilizing electricity sector performance indicators, yardstick competition and data envelopment analysis, revealing three findings: (i) institutions influence the reserve margin, and installed capacity positively, and possess the potential to affect the indices of global reliability measurement; (ii) various heterogeneous factors significantly affect yardstick competition; and (iii) the efficiency of the distribution companies vary over time. The present paper suggests that the Public Utility Regulatory Commission of Ghana use these factors together with others to set the rate-of-return for the various distribution utilities. Finally, it recommends that panel data procedure should be applied to analyze the efficiency of distribution utilities.